

## FREQUENTLY ASKED QUESTIONS

**Q 1: What do I need to do to with my existing State of Iowa (RIC) Retirement Plan account?**

**A:** No action is required for existing VALIC mutual fund participants; investment elections will be “mapped” from the existing mutual fund platform using the Fund Mapping Schedule attached. During this time (called the “quiet period”), you will not have access to your VALIC accounts to reallocate investments, change future asset allocation, initiate loans or initiate distributions from your plan. The quiet period for the RIC Retirement Plan begins on December 29, 2015 and ends on December 31, 2015. All capabilities, including VALIC Online, and VALIC by Phone (the toll-free interactive telephone service) will be reactivated and transactions will resume.

**Q 2: What do I need to do to take advantage of transitioning my existing RIC account balance currently held at VALIC to the new mutual fund line up?**

**A:** No action is required. VALIC will move your funds based on the Fund Mapping Schedule attached. You will not incur a fee for these transactions. Please contact your financial advisor if you have questions.

**Q 3: How will my future retirement plan contributions be invested?**

**A:** After December 31, 2015, all future contributions will be deposited into the new VALIC mutual fund line up. That includes employee deferrals into the retirement plan as well as the employer contributions, if applicable.

**Q 4: How does the fund mapping process work? How will the funds be transitioned to the new investment options?**

**A:** Your current account balance will be transitioned to the new investment options through a process called “like fund mapping.” Fund mapping is the transfer of each of the existing investment options to a similar option available in the new mutual fund lineup. The objective of the mapping process is to identify investment options under the new mutual fund line up that have similar risk and potential reward characteristics as the current mutual fund options. Funds for the new mutual fund lineup were selected with the following in mind: investment style, risk profile, sector holdings, asset class, and long-term performance potential. The Fund Mapping Schedule included with this packet of information illustrates how each investment option within the current mutual fund line up will be mapped to the new mutual fund platform.

**Q 5: Do I have the option to map my contributions and account balances differently to the new mutual fund platform?**

**A:** Yes, prior to the quiet period participants can contact VALIC to make reallocations that will align their retirement plan investments in such a way that account balances and/or future contributions will map to their preferred investment options within the new mutual fund platform. Alternately, you can wait until after the quiet period ends to reallocate your account. Please review the Fund Mapping Schedule included in your packet. Your VALIC financial advisor is also available to provide assistance.

**Q 6: Are there fees associated with any of these potential transactions?**

**A:** No, there are no fees associated with these changes.

**Q 7: Will I be subject to taxes on my funds because of the transition?**

**A:** No.

**Q 8: Where can I find out more about the upcoming Fund Exchange?**

**A:** To find the 3<sup>rd</sup> quarter performance and Fund Fact Sheets of the new investments, please visit us at [www.valic.com/iowa](http://www.valic.com/iowa), or you can contact your local financial advisor.

**Q9 How often will I receive an account statement?**

**A:** Quarterly, VALIC mails account statements to your address of record no later than 10 business days after each calendar quarter. These account statements include helpful information about your account balance, your investment elections and transaction history for all of your accounts with VALIC. Account statements can also be accessed online at VALIC.com.

**Q 10: Why have the funds changed?**

**A:** The Iowa Retirement Investors' Club (RIC) conducted a public bid to select providers for the 2016-2021 contract period. VALIC submitted a successful proposal that included new funds. The change will offer an enhanced lineup of investment options including additional asset categories and new target date funds, lower costs paid by plan participants, and provider better transparency regarding how these costs are paid.

**Q 11: What criteria were considered in determining the new investment options?**

**A:** The investments were evaluated using a wide range of industry standard metrics including performance, risk, portfolio characteristics, consistency of investment style, expense ratio, strength of investment philosophy and process, performance in both up and down markets and consistency of returns.

**Q 12: What is Guided Portfolio Services (GPS)?**

**A:** GPS assists clients to determine if they are projected to be on track for reaching their retirement income goals, and if not, provide savings and retirement age recommendations to help them reach their goal. Unlike GPS, investment options like target date maturity funds do NOT communicate how a client is tracking to a retirement goal or take into account any outside retirement assets or income streams that are material to achieving a retirement income goal. GPS provides an asset allocation strategy intended to diversify a client's total retirement portfolio. This allocation is intended to manage a client to an appropriate investment strategy and may not outperform other investment strategies. The portfolio recommendations over the course of time for each participant are subject to a personalized glide path up to retirement age. A client's account will be rebalanced to the recommended GPS fund-specific portfolios and will be reviewed quarterly to determine if a rebalance is necessary due to either market fluctuation and/or updates to the portfolios by the independent, third-party investment advisor. A client's retirement readiness and advice is automatically generated on his/her GPS enrollment anniversary to determine what changes, if any, are needed. In addition, the GPS program offers value because VALIC advisors contact their clients at least annually to focus on how they are tracking to their retirement goal.

**Q13: I no longer work for a RIC-covered employer. Why am I getting this notice?**

**A:** You still have a balance in your RIC account and your account balance will be mapped over using the attached Fund Mapping Schedule.

**CONTACT INFORMATION**

**Q 14: How can I access my account with VALIC?**

**A:** You can access your account information 24 hours a day, 7 days a week online at [www.valic.com](http://www.valic.com).

VALIC Mobile Access for web-enabled devices at <https://my.valic.com/mobility>

VALIC Mobile for iPad®, iPhone® or Android™-based phones

By phone at 1-800-448-2542 to connect with our voice-response system 24/7. Or you can speak with a Client Service Professional Monday through Friday, between the hours of 7:00 a.m. and 8:00 p.m. (CT). In addition, account questions may be directed to your VALIC financial advisor.

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**Q 15: Who can I contact if I have questions about the mutual funds or this process?**

A: If you need specific investment advice, please call VALIC District Manager:

Bryan Montemurro      Office Phone: 620-875-3201  
Email: [Bryan.Montemurro@valic.com](mailto:Bryan.Montemurro@valic.com)